

**STATUS REPORT ON FISMA AUDIT REPORT
MARCH 7, 2008**

CASH RECEIPTS

FINDING 1 – The Department lacks separation of duties in the cash receipts process. *COMPLETED - DECEMBER 2007.*

To ensure adequate internal control, the cashiering staff identifies and pulls all incoming checks prior to the mail rotation, thus eliminating the reimbursable staff having contact with remittances and cash receipts.

FINDING 2 – The Department does not endorse checks timely. *COMPLETED - DECEMBER 2007.*

The Fiscal Management Section (FMS) Cashiering Unit ensures all checks are endorsed as soon as possible after receipt and no later than the end of the working day.

FINDING 3 – The Department's Area offices do not submit cash receipts for deposits timely. *COMPLETED – DECEMBER 2007.*

The FMS has incorporated into the Cashiering Unit transmittal desk procedures to follow up with area commands that are not in compliance. If a weekly transmittal is not received within two weeks, a notification from the FMS commander is sent to the Area commander. If no response is received from the Area commander within 14 days, a second notification is sent from the Administrative Services Division (ASD) chief to the Division chief and a copy is forwarded to the Assistant Commissioner, Field and Office of Internal Affairs.

An MIS was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The MIS was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

RECEIVABLES

FINDING 1 – The Department's Area offices submit reimbursable services packages untimely and incomplete. *COMPLETED – JANUARY 2008.*

Upon receipt of the reimbursable service packages, if it is noted that the package is incomplete, FMS staff will advise the Operations Manager who will contact the Area commands to remind them of HPM policy. In addition, FMS staff will report to the FMS commander on a monthly basis the Area commands that have not complied with policy for submitting the CHP 90, Report of Court Appearance – Civil Action, and CHP 735, Incident Response Reimbursement Statements, in a timely manner. Quarterly reports for the DUI Cost Recovery Program are sent to Division chiefs. These reports are designed to assist in the monitoring and timely submission of the CHP 735, Incident Response Reimbursement Statements.

An MIS was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The MIS was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

FINDING 2 – The Department provided services without obtaining advance payments from vendors for predetermined selected services. *IN PROCESS – ANTICIPATE COMPLETION OF REVISED CHP 467 FORM IN MARCH 2008.*

The FMS has revised the CHP 467, Billing Memorandum - Reimbursable Services, form to include a reason why an advance deposit was not collected. The revised CHP 467 form was sent forward for approval January 2008. The form is expected to be completed and available for use by the end of March 2008.

Once the revised form is utilized, if an advance is not collected the Operations Manager over Reimbursable Services will contact the Area commander to remind them of HPM policy obtaining advance payment prior to services having been performed if the reason is not adequate.

PURCHASING

FINDING 1 – The Department does not review its Voyager fuel card invoices prior to payment. *IN PROCESS – ANTICIPATED COMPLETION JULY 2008.*

The Fleet Operations Section (FOS) has made arrangements to receive electronic copies of the monthly invoices and is in the process of developing an automated process for post audit. Until this process is complete, FOS reviews the invoices prior to payment to ensure that the charges are accurate and appropriate. The approved invoices are forwarded to FMS for payment.

CASH DISBURSEMENTS

FINDING 1 – The Department does not review its telephone invoices for accuracy or improprieties. *PENDING – RECOMMEND INFORMATION MANAGEMENT DIVISION (IMD) TO DEVELOP POST AUDIT REVIEW PROCESS.*

All telephone invoices received by FMS are processed for payment as the turnaround time for paying for telephone, data, and other services is critical to ensure the departmental flow of communications is not interrupted. The FMS proposes that IMD establish a post audit review process to ensure that the charges are accurate and appropriate.

REVOLVING FUND

FINDING 1 – The Department issued travel advances during the state budget impasse. *COMPLETED – EXEMPTION REQUEST SUBMITTED FEBRUARY 2008. PENDING – ISSUANCE OF COMM-NET DURING BUDGET IMPASSE.*

An exemption request has been submitted to the Department of Finance's Fiscal Systems Consulting Unit on February 20, 2008, to allow the department to issue travel advances to meet mission critical travel during Budget impasse (refer to attached memorandum).

If the exemption is approved, a MIS will be disseminated during the budget impasse reminding commands that travel advances will only be issued for mission critical travel and shall be forwarded to the FMS Travel/Revolving Unit. Approval for such travel will be elevated to the Division chief.

FINDING 2 – The Department does not clear travel advances in a timely manner. *COMPLETED – SALARY OFFSET IMPLEMENTED DECEMBER 2007. OUTSTANDING TRAVEL ADVANCES CLEARED - FEBRUARY 2008.*

Salary offset procedures, in accordance with departmental policy, were implemented December 2007. Also, staff in the Travel Unit worked overtime during January 2008 to clear the backlog of travel claims to the normal two week process time which in turn cleared many of the outstanding advances.

CONTRACTS

FINDING 1 – The Department does not pay invoices timely for service requests. *COMPLETED – JANUARY 2008.*

The ASD has implemented a streamlined process for approving service requests for less than \$5,000. As a result, these invoices are submitted to FMS Accounts Payable Unit in sufficient time to meet the time frames provided in Government Code Section 927.

FIXED ASSETS

FINDING 2 – The Department provided no evidence that it submits yearly information to the Department of General Services for its Statewide Property Inventory. *COMPLETED – JANUARY 2008.*

The Facilities Section (FS) have implemented procedures and staff has been trained to work closely with the Department of General Services (DGS) and FMS to ensure that the yearly Statewide Property Inventory is submitted. The FS completed and submitted the 2006 report to DGS in January 2008 and is working with FMS on the 2007 report.

**STATUS REPORT ON FISMA AUDIT REPORT
JUNE 23, 2008**

CASH RECEIPTS

FINDING 1 – The Department lacks separation of duties in the cash receipts process. *COMPLETED - DECEMBER 2007.*

To ensure adequate internal control, the cashiering staff identifies and pulls all incoming checks prior to the mail rotation, thus eliminating the reimbursable staff having contact with remittances and cash receipts.

FINDING 2 – The Department does not endorse checks timely. *COMPLETED - DECEMBER 2007.*

The Fiscal Management Section (FMS) Cashiering Unit ensures all checks are endorsed as soon as possible after receipt and no later than the end of the working day.

FINDING 3 – The Department's Area offices do not submit cash receipts for deposits timely. *COMPLETED – DECEMBER 2007.*

The FMS has incorporated into the Cashiering Unit transmittal desk procedures to follow up with area commands that are not in compliance. If a weekly transmittal is not received within two weeks, a notification from the FMS commander is sent to the Area commander. If no response is received from the Area commander within 14 days, a second notification is sent from the Administrative Services Division (ASD) chief to the Division chief and a copy is forwarded to the Assistant Commissioner, Field and Office of Internal Affairs.

An MIS was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The MIS was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

RECEIVABLES

FINDING 1 – The Department's Area offices submit reimbursable services packages untimely and incomplete. *COMPLETED – JANUARY 2008.*

Upon receipt of the reimbursable service packages, if it is noted that the package is incomplete, FMS staff will advise the Operations Manager who will contact the Area commands to remind them of HPM policy. In addition, FMS staff will report to the FMS commander on a monthly basis the Area commands that have not complied with policy for submitting the CHP 90, Report of Court Appearance – Civil Action, and CHP 735, Incident Response Reimbursement Statements, in a timely manner. Quarterly reports for the DUI Cost Recovery Program are sent to Division chiefs. These reports are designed to assist in the monitoring and timely submission of the CHP 735, Incident Response Reimbursement Statements.

An MIS was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The MIS was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

FINDING 2 – The Department provided services without obtaining advance payments from vendors for predetermined selected services. *COMPLETED - MARCH 2008.*

The FMS has revised the CHP 467, Billing Memorandum - Reimbursable Services, form to include a reason why an advance deposit was not collected. An MIS was distributed March 26, 2008, advising all commands of the revision to CHP 467. If an advance is not collected, the Operations Manager over Reimbursable Services will contact the Area commander to remind them of HPM policy obtaining advance payment prior to services having been performed if the reason is not adequate.

PURCHASING

FINDING 1 – The Department does not review its Voyager fuel card invoices prior to payment. *IN PROCESS – ANTICIPATE COMPLETION OCTOBER 2008.*

The Fleet Operations Section (FOS) has made arrangements to receive electronic copies of the monthly invoices and is in the process of developing an automated process for post audit. At the last quarterly update, it was reported

that this process would be completed by July. However, there has been a delay in the development of this process, and the new anticipated completion date is October 2008. Until this process is implemented, FOS will continue to review the invoices prior to payment to ensure that the charges are accurate and appropriate. The approved invoices are forwarded to FMS for payment.

CASH DISBURSEMENTS

FINDING 1 – The Department does not review its telephone invoices for accuracy or improprieties. *PENDING – INFORMATION MANAGEMENT DIVISION (IMD) TO DEVELOP POST AUDIT REVIEW PROCESS. ANTICIPATED COMPLETION THIRD QUARTER OF 2008.*

All telephone invoices received by FMS are processed for payment as the turnaround time for paying for telephone, data, and other services is critical to ensure the departmental flow of communications is not interrupted.

IMD has scheduled training with AT&T to learn the functionality of their ACTUS system under the new Calnet II state contract. It is anticipated that training will assist staff in effectively and efficiently reviewing invoices on CD-ROM. Once this training is completed and a process is established, IMD staff plans to conduct random audit sampling of the monthly telephone invoices. IMD anticipates this to occur during the third quarter of 2008.

REVOLVING FUND

FINDING 1 – The Department issued travel advances during the state budget impasse. *COMPLETED – EXEMPTION REQUEST SUBMITTED FEBRUARY 2008. TRAVEL ADVANCE MIS TO ALL COMMANDS MAY 2008. PENDING – PURSUE LEGISLATION EXEMPTION REQUEST.*

An exemption request was submitted to the Department of Finance's (DOF) Fiscal Systems Consulting Unit (FSCU) on February 20, 2008, to allow the department to issue travel advances to meet mission critical travel during budget impasse. FSCU denied this request and recommended to seek legislative authority. As a result, FMS contacted the Office of Special Representative (OSR) to pursue legislation to effect an exemption. OSR is working with DOF on this matter.

A MIS was distributed on May 30, 2008, advising all commands that travel advances will not be processed until there is a signed budget.

FINDING 2 – The Department does not clear travel advances in a timely manner. *COMPLETED – SALARY OFFSET IMPLEMENTED DECEMBER 2007. OUTSTANDING TRAVEL ADVANCES CLEARED - FEBRUARY 2008.*

Salary offset procedures, in accordance with departmental policy, were implemented December 2007. Also, staff in the Travel Unit worked overtime during January 2008 to clear the backlog of travel claims to the normal two week process time which in turn cleared many of the outstanding advances.

CONTRACTS

FINDING 1 – The Department does not pay invoices timely for service requests. *COMPLETED – JANUARY 2008.*

The ASD has implemented a streamlined process for approving service requests for less than \$5,000. As a result, these invoices are submitted to FMS Accounts Payable Unit in sufficient time to meet the time frames provided in Government Code Section 927.

FIXED ASSETS

FINDING 2 – The Department provided no evidence that it submits yearly information to the Department of General Services for its Statewide Property Inventory. *COMPLETED – JANUARY 2008.*

The Facilities Section (FS) have implemented procedures and staff has been trained to work closely with the Department of General Services (DGS) and FMS to ensure that the yearly Statewide Property Inventory is submitted. The FS completed and submitted the 2006 report to DGS in January 2008 and is working with FMS on the 2007 report.

**STATUS REPORT ON FISMA AUDIT REPORT
SEPTEMBER 24, 2008**

CASH RECEIPTS

FINDING 1 – The Department lacks separation of duties in the cash receipts process. *COMPLETED - DECEMBER 2007.*

To ensure adequate internal control, the cashiering staff identifies and pulls all incoming checks prior to the mail rotation, thus eliminating the reimbursable staff having contact with remittances and cash receipts.

FINDING 2 – The Department does not endorse checks timely. *COMPLETED - DECEMBER 2007.*

The Fiscal Management Section (FMS) Cashiering Unit ensures all checks are endorsed as soon as possible after receipt and no later than the end of the working day.

FINDING 3 – The Department's Area offices do not submit cash receipts for deposits timely. *COMPLETED – DECEMBER 2007.*

The FMS has incorporated into the Cashiering Unit transmittal desk procedures to follow up with area commands that are not in compliance. If a weekly transmittal is not received within two weeks, a notification from the FMS commander is sent to the Area commander. If no response is received from the Area commander within 14 days, a second notification is sent from the Administrative Services Division (ASD) chief to the Division chief and a copy is forwarded to the Assistant Commissioner, Field and Office of Internal Affairs.

An MIS was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The MIS was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

RECEIVABLES

FINDING 1 – The Department's Area offices submit reimbursable services packages untimely and incomplete. *COMPLETED – JANUARY 2008.*

Upon receipt of the reimbursable service packages, if it is noted that the package is incomplete, FMS staff will advise the Operations Manager who will contact the Area commands to remind them of HPM policy. In addition, FMS staff will report to the FMS commander on a monthly basis the Area commands that have not complied with policy for submitting the CHP 90, Report of Court Appearance – Civil Action, and CHP 735, Incident Response Reimbursement Statements, in a timely manner. Quarterly reports for the DUI Cost Recovery Program are sent to Division chiefs. These reports are designed to assist in the monitoring and timely submission of the CHP 735, Incident Response Reimbursement Statements.

An MIS was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The MIS was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

FINDING 2 – The Department provided services without obtaining advance payments from vendors for predetermined selected services. *COMPLETED - MARCH 2008.*

The FMS has revised the CHP 467, Billing Memorandum - Reimbursable Services, form to include a reason why an advance deposit was not collected. An MIS was distributed March 26, 2008, advising all commands of the revision to CHP 467. If an advance is not collected, the Operations Manager over Reimbursable Services will contact the Area commander to remind them of HPM policy obtaining advance payment prior to services having been performed if the reason is not adequate.

PURCHASING

FINDING 1 – The Department does not review its Voyager fuel card invoices prior to payment. *IN PROCESS – ANTICIPATE COMPLETION MARCH 2009.*

The Fleet Operations Section (FOS) has made arrangements to receive electronic copies of the monthly invoices and is in the process of developing an automated process for post audit. At the last quarterly update, it was reported that the anticipated completion date is October 2008. However, there has been a

delay in the development of this process, and the new anticipated completion date is March 2009. Until this process is implemented, FOS will continue to review the invoices prior to payment to ensure that the charges are accurate and appropriate. The approved invoices are forwarded to FMS for payment.

Also during this quarter, FOS has developed a report which is broken down by division to assist management in monitoring fuel usage on a monthly basis.

CASH DISBURSEMENTS

FINDING 1 – The Department does not review its telephone invoices for accuracy or improprieties. *PENDING – INFORMATION MANAGEMENT DIVISION (IMD) TO START AUDITING INVOICES IN THE FOURTH QUARTER OF 2008.*

All telephone invoices received by FMS are processed for payment as the turnaround time for paying for telephone, data, and other services is critical to ensure the departmental flow of communications is not interrupted.

IMD has completed training with AT&T on the functionality of their ACTUS system under the new Calnet II state contract and has conducted a pilot review of a field command to determine how long it will take to audit an invoice on CD-ROM. Beginning with the fourth quarter of 2008, IMD will start reviewing eight field commands and one headquarters section every quarter.

REVOLVING FUND

FINDING 1 – The Department issued travel advances during the state budget impasse. *COMPLETED – EXEMPTION REQUEST SUBMITTED FEBRUARY 2008. TRAVEL ADVANCE MIS TO ALL COMMANDS MAY 2008. PENDING – PURSUE LEGISLATION EXEMPTION REQUEST.*

An exemption request was submitted to the Department of Finance's (DOF) Fiscal Systems Consulting Unit (FSCU) on February 20, 2008, to allow the department to issue travel advances to meet mission critical travel during budget impasse. FSCU denied this request and recommended to seek legislative authority. As a result, FMS contacted the Office of Special Representative (OSR) to pursue legislation to effect an exemption. OSR is working with DOF on this matter.

A MIS was distributed on May 30, 2008, advising all commands that travel advances will not be processed until there is a signed budget.

FINDING 2 – The Department does not clear travel advances in a timely manner. *COMPLETED – SALARY OFFSET IMPLEMENTED DECEMBER 2007. OUTSTANDING TRAVEL ADVANCES CLEARED - FEBRUARY 2008.*

Salary offset procedures, in accordance with departmental policy, were implemented December 2007. Also, staff in the Travel Unit worked overtime during January 2008 to clear the backlog of travel claims to the normal two week process time which in turn cleared many of the outstanding advances.

CONTRACTS

FINDING 1 – The Department does not pay invoices timely for service requests. *COMPLETED – JANUARY 2008.*

The ASD has implemented a streamlined process for approving service requests for less than \$5,000. As a result, these invoices are submitted to FMS Accounts Payable Unit in sufficient time to meet the time frames provided in Government Code Section 927.

FIXED ASSETS

FINDING 2 – The Department provided no evidence that it submits yearly information to the Department of General Services for its Statewide Property Inventory. *COMPLETED – JANUARY 2008.*

The Facilities Section (FS) have implemented procedures and staff has been trained to work closely with the Department of General Services (DGS) and FMS to ensure that the yearly Statewide Property Inventory is submitted. The FS completed and submitted the 2006 report to DGS in January 2008 and is working with FMS on the 2007 report.

**STATUS REPORT ON FISMA AUDIT REPORT
FOURTH QUARTER - DECEMBER 26 2008**

CASH RECEIPTS

FINDING 1 – The Department lacks separation of duties in the cash receipts process. *COMPLETED - DECEMBER 2007.*

To ensure adequate internal control, Cashiering Unit identifies and pulls all incoming checks prior to the mail rotation, thus eliminating the reimbursable staff having contact with remittances and cash receipts.

FINDING 2 – The Department does not endorse checks timely. *COMPLETED - DECEMBER 2007.*

The Fiscal Management Section's (FMS) Cashiering Unit ensures all checks are endorsed as soon as possible after receipt and no later than the end of the working day.

FINDING 3 – The Department's Area offices do not submit cash receipts for deposits timely. *COMPLETED – DECEMBER 2007.*

FMS has incorporated into the Cashiering Unit transmittal desk procedures to follow up with area commands that are not in compliance. If a weekly transmittal is not received within two weeks, a notification from the FMS commander is sent to the Area commander. If no response is received from the Area commander within 14 days, a second notification is sent from the Administrative Services Division (ASD) chief to the Division chief and a copy is forwarded to the Assistant Commissioner, Field and Office of Internal Affairs.

A Comm-Net message was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The Comm-Net message was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

RECEIVABLES

FINDING 1 – The Department's Area offices submit reimbursable services packages untimely and incomplete. *COMPLETED – JANUARY 2008.*

Upon receipt of the reimbursable service packages, if it is noted that the package is incomplete, FMS will advise the Operations Manager who will contact the Area commands to remind them of HPM policy. In addition, FMS staff will report to the FMS commander on a monthly basis the Area commands that have not complied with policy for submitting the CHP 90, Report of Court Appearance – Civil Action, and CHP 735, Incident Response Reimbursement Statements, in a timely manner. Quarterly reports for the DUI Cost Recovery Program are sent to Division chiefs. These reports are designed to assist in the monitoring and timely submission of the CHP 735, Incident Response Reimbursement Statements.

A Comm-Net message was distributed on February 18, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program. The Comm-Net message was reviewed at Top Management on February 27, 2008 to request assistance for full compliance.

FINDING 2 – The Department provided services without obtaining advance payments from vendors for predetermined selected services. *COMPLETED - MARCH 2008.*

FMS has revised the CHP 467, Billing Memorandum - Reimbursable Services, to include a reason why an advance deposit was not collected. A Comm-Net message was distributed March 26, 2008, advising all commands of the revision to CHP 467. If an advance is not collected, the Operations Manager over Reimbursable Services will contact the Area commander to remind them of HPM policy obtaining advance payment prior to services having been performed if the reason is not adequate.

PURCHASING

FINDING 1 – The Department does not review its Voyager fuel card invoices prior to payment. *IN PROCESS – ANTICIPATE COMPLETION MARCH 2009.*

Fleet Operations Section (FOS) has made arrangements to receive electronic copies of the monthly invoices and is in the process of developing an automated process for post audit. At the last quarterly update, it was reported that the anticipated completion date is October 2008. However, there has been a delay

in the development of this process, and the new anticipated completion date is March 2009. Until this process is implemented, FOS will continue to review the invoices prior to payment to ensure that the charges are accurate and appropriate. The approved invoices are forwarded to FMS for payment.

Also during this quarter, FOS has developed a report which is broken down by division to assist management in monitoring fuel usage on a monthly basis.

CASH DISBURSEMENTS

FINDING 1 – The Department does not review its telephone invoices for accuracy or improprieties. *COMPLETED – INFORMATION MANAGEMENT DIVISION (IMD) STARTED AUDITING INVOICES IN THE FOURTH QUARTER OF 2008.*

All telephone invoices received by FMS are processed for payment as the turnaround time for paying for telephone, data, and other services is critical to ensure the departmental flow of communications is not interrupted.

Information Management Division (IMD) has completed training with AT&T on the functionality of their ACTUS system under the new Calnet II state contract and has conducted a pilot review of a field command to determine how long it will take to audit an invoice on CD-ROM. Beginning with the fourth quarter of 2008, IMD completed its first comprehensive review of a field command during fourth quarter 2008. Beginning with first quarter 2009, IMD will review two headquarter commands and sixteen field Areas (two from each of the eight Divisions) on a quarterly basis.

REVOLVING FUND

FINDING 1 – The Department issued travel advances during the state budget impasse. *COMPLETED – EXEMPTION REQUEST SUBMITTED FEBRUARY 2008. TRAVEL ADVANCE MIS TO ALL COMMANDS MAY 2008. PENDING – PURSUE LEGISLATION EXEMPTION REQUEST.*

An exemption request was submitted to the Department of Finance's (DOF) Fiscal Systems Consulting Unit (FSCU) on February 20, 2008, to allow the Department to issue travel advances to meet mission critical travel during budget impasse. FSCU denied this request and recommended to seek legislative authority. As a result, FMS contacted the Office of Special Representative (OSR) to pursue legislation to effect an exemption. OSR is working with DOF on this matter.

A Comm-Net message was distributed on May 30, 2008, advising all commands that travel advances will not be processed until there is a signed budget.

FINDING 2 – The Department does not clear travel advances in a timely manner. *COMPLETED – SALARY OFFSET IMPLEMENTED DECEMBER 2007. OUTSTANDING TRAVEL ADVANCES CLEARED - FEBRUARY 2008.*

Salary offset procedures, in accordance with departmental policy, were implemented December 2007. Also, staff in the Travel Unit worked overtime during January 2008 to clear the backlog of travel claims to the normal two week process time which in turn cleared many of the outstanding advances.

CONTRACTS

FINDING 1 – The Department does not pay invoices timely for service requests. *COMPLETED – JANUARY 2008.*

ASD has implemented a streamlined process for approving service requests for less than \$5,000. As a result, these invoices are submitted to FMS Accounts Payable Unit in sufficient time to meet the time frames provided in Government Code Section 927.

FIXED ASSETS

FINDING 2 – The Department provided no evidence that it submits yearly information to the Department of General Services for its Statewide Property Inventory. *COMPLETED – JANUARY 2008.*

Facilities Section (FS) have implemented procedures and staff has been trained to work closely with the Department of General Services (DGS) and FMS to ensure that the yearly Statewide Property Inventory is submitted. FS completed and submitted the 2006 report to DGS in January 2008 and is working with FMS on the 2007 report.

7/2/09

ADMINISTRATIVE SERVICES DIVISION
CORRECTIVE ACTION PLAN

REMAINING WEAKNESSES OBSERVED FROM THE
DECEMBER 2008 AUDIT FOLLOW-UP

CASH RECEIPTS

FINDING 3: The Department's Area offices do not submit cash receipts for deposits timely.

RECEIVABLES

FINDING 1: The Department's Area offices submit reimbursable services packages untimely and incomplete.

For both of these findings, the Office of Inspections will be addressing the individual command's compliance through the field audits as well as the inspection program. Fiscal Management Section will continue to send letters to commands on the status of their deposits and reimbursable services packages to facilitate timely submittal. Corrective action has been fully implemented under Administrative Services Division responsibilities.

PURCHASING

FINDING 1: The Department does not review its Voyager fuel card invoices prior to payment.

Fleet Operations Section instituted the new Voyager Activity Reporting System (VARs) effective May 1, 2009.

CONTRACTS

FINDING 1: The Department does not pay invoices timely for service requests.

Starting July 10, 2009, invoices for service requests will be sent directly from the field offices to the Accounts Payable Unit to ensure timely payment of invoices. Field offices will submit a copy of all invoices approved for payment to the Facilities Section for reference and tracking.

STATUS REPORT ON THE FISMA AUDIT FOLLOW UP IN DECEMBER 2008

APRIL 30, 2009

CASH RECEIPTS

The Department's field commands do not submit cash receipts for deposit timely. *COMPLETED – APRIL 2009.*

The FMS has incorporated into the Cashiering Unit transmittal desk procedures to follow up with area commands that are not in compliance. If a weekly transmittal is not received within two weeks, a notification from the FMS commander is sent to the Area commander. If no response is received from the Area commander within 14 days, a second notification is sent from the Administrative Services Division (ASD) chief to the Division chief and a copy is forwarded to the Assistant Commissioner, Field and Internal Affairs Unit.

FMS continues to follow up with area commands that are not in compliance. However, due to a vacancy and lack of supervisor oversight, there were many transmittals that were not followed up on according to our policy and procedures. In response to the review, staff and the supervisor were reminded of the policy and procedures and acknowledged they will be followed going forward.

An MIS was distributed on February 8, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program.

RECEIVABLES

FINDING 1 – The Department's Area offices submit reimbursable services packages untimely and incomplete. *COMPLETED – APRIL 2009.*

Upon receipt of the reimbursable service packages, if it is noted that the package is incomplete, FMS staff will advise the Operations Manager who will contact the Area commands to remind them of HPM policy. In addition, FMS staff will report to the FMS commander on a monthly basis the Area commands that have not complied with policy for submitting the CHP 90, Report of Court Appearance – Civil Action, and CHP 735, Incident Response Reimbursement Statements, in a timely manner. Quarterly reports for the DUI Cost Recovery Program are sent to Division chiefs. These reports are designed to assist in the monitoring and timely submission of the CHP 735, Incident Response Reimbursement Statements.

An MIS was distributed on February 8, 2008 to remind all commands of the importance of maintaining compliance with HPM 11.1, Chapter 4, Miscellaneous Sales - Transmittal of Collections; Chapter 6, Reimbursable Services; Chapter 10, Subpoenas/Subpoenas Duces Tecum Compliance Criminal/Civil Appearances; and Chapter 20, DUI Cost Recovery Program.

PURCHASING

FINDING 1 – The Department does not review its Voyager fuel card purchases. *IN PROCESS – APRIL 2009.*

Development of the new Voyager Activity Reporting System (VARS) is complete and ready for production release. Development staff is in the process of scheduling a walk through with end-users and hope to finalize by month end. Reports for March 2009 invoices should be delivered to Divisions using VARS during the first two weeks of April. Fleet Operations Section (FOS) will continue to work out any remaining issues with VARS. Until this process is fully implemented, FOS will continue to review the invoices prior to payment to ensure that the charges are accurate and appropriate. The approved invoices are forwarded to FMS for payment. It is anticipated the VARS and new procedures will be complete in May 2009.

CONTRACTS

FINDING 1 – The Department does not pay invoices timely for service requests. *IN PROCESS – APRIL 2009.*

FMS continues to work with Facilities Section for timely approval and submission of service requests for less than \$5,000. FMS has also reminded Facilities of the important role dispute notices play in the payment process. If there is anything incorrect with the invoice, then a timely completion of the dispute notice will stop late payment penalties from accruing after the date of the notification. This will help reduce the late payment penalties incurred by the Department.

FMS and Facilities have also discussed possible payment alternatives that would streamline the approval and payment process, but need to conduct further analysis to determine if the alternatives are necessary, beneficial and can provide the proper review and approval. FMS continues to remind Facilities of the importance of timely submittal.